

ARTICLE APPEARED
ON PAGE 4D

WASHINGTON TIMES
26 March 1985

JAMES MCCLURE

Free World needs to take offensive in war of economics

The United States and its allies are locked in a hidden war with the Soviet Union — one that only the Soviets seem prepared to fight.

This is not just a war of words or ideas — though the Kremlin aggressively fights on the propaganda front, as it demonstrated recently when Mikhail Gorbachev, then Moscow's second-in-command, journeyed west to step up the Kremlin's attacks on the Reagan administration's Strategic Defense Initiative.

Nor is it a war of tanks, or missiles.

Rather it's an economic war. And the Kremlin is playing to win, despite the Soviet state's crumbling economy.

All around the globe, the Soviet Union and its proxies are actively engaged in both overt and covert

operations aimed at gaining greater access to the world's primary sources of energy and strategic metals; wresting potential control over the world's vital sea lanes; and attaining — through purchase or theft — the best technology Western minds and money can produce.

Yet, despite the vastly superior economic resources of the United States, Western Europe, and Japan, the Free World seems unprepared to join the battle.

It is time for the United States and its allies to develop a strategy for countering this Soviet threat, as part of a larger U.S. strategy of Peace Through Strength. Failure to do so would be foolhardy and irresponsible.

As a long-overdue first step, the Reagan administration should create a centralized Office of Strategic Trade to establish an international trade policy that would advance U.S. strategic interests.

The office would coordinate the Free World's economic offensive as

well as its defense, by analyzing the Soviet Bloc's economic weaknesses and devising ways to exploit them. The purpose would not be to promote economic chaos in the Soviet state, but to force fundamental changes in its economic and political structure.

The OST would be involved in such matters as:

1. **Tightening controls on the export of sensitive technological goods.**

The job of licensing high-tech goods and technology for export now is divided among several federal agencies; the resulting inconsistency and confusion has led to a steady flow of U.S. technology to the East.

2. **Devising methods to thwart the Soviet Union's on-going efforts to steal Free World technology.**

It is estimated that the KGB has some 2,000 full-time agents assigned to high-tech theft; we should increase manpower to prevent this piracy.

3. **Creating, in cooperation with our allies, economic-sanctions contingency plans to be used by the Free World whenever this becomes necessary.**

In the past (the Soviet invasion of Afghanistan is a prime example), allied nations have approached sanctions on an ad hoc basis only after the Soviet Union has provoked such action. It would be far better to have contingency sanctions — fully researched and analyzed as to their effects on the economy and individual industries — available in advance in order to develop offsetting financial plans.

4. **Helping Congress prepare legislation to protect technological research, particularly the problem of the leaking of government-funded, unclassified, open-source basic research into Soviet hands.**

Sensible controls must be devised, as has been done by the National Security Agencies on en-

ryption, to limit the transmission of technical data with military applications to foreign states. The OST could also limit access of certain foreign nationals to American technical meetings.

5. **Stimulating the Soviet citizens' desires for consumer goods and convenience-items, such as refrigerators and washing machines.**

The West's continuing economic success story needs to be better communicated to the people of Soviet Russia. Over time the Soviet citizen would undoubtedly start demanding more from the Soviet elite. The Kremlin then would be forced to shift resources from the military to satisfy consumer demands.

The United States needs to start using the economic arm of freedom to protect the non-Communist world, and to promote change in the Soviet Empire.

It's a tall order, but a very necessary one. The stakes are high, but it can be done.

Sen. James A. McClure, R-Idaho, is chairman of the Senate Energy and Natural Resources Committee.